

# Education and Workforce Development Cabinet

## Kentucky's jobless rate increases to 8 percent in March 2013

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### Contact Information:

**FRANKFORT, Ky. (April 18, 2013)** — Kentucky's seasonally adjusted preliminary unemployment rate rose to 8 percent in March from 7.9 percent in February 2013, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary March 2013 jobless rate was .2 percentage points below the 8.2 percent rate recorded for the state in March 2012.

The U.S. seasonally adjusted jobless rate decreased to 7.6 percent in March 2013 from 7.7 percent in February 2013, according to the U.S. Department of Labor.

Labor force statistics, including the unemployment rate, are based on estimates from the Current Population Survey of households. It is designed to measure trends rather than to count the actual number of people working. It includes jobs in agriculture and those classified as self-employed.

In March 2013, Kentucky's civilian labor force was 2,086,664, an increase of 2,709 individuals compared to the previous month. Employment rose by 381, while the number of unemployed people went up by 2,328.

"More people entered the job market in Kentucky in March 2013 looking for work, but unfortunately, some of them were not successful in finding jobs," said economist Manoj Shanker of the OET. "A job opening may go unfilled because the person with the right skill set has not been found. That causes small fluctuations in the unemployment rate as we see in March."

In a separate federal survey of business establishments that excludes jobs in agriculture and people who are self-employed, Kentucky's seasonally adjusted nonfarm employment dropped by 8,400 jobs in March 2013 from the previous month. On an over-the-year basis, the state's nonfarm employment has added 12,400 jobs.

"The one-month decline in nonfarm employment is surprising, but it is not a cause for concern. We look at trends and not just a single month. We have had six months of robust growth in employment. In spite of the decline in March, the first quarter has seen a gain of 18,100 jobs."

Nonfarm data is provided by the Bureau of Labor Statistics' Current Employment Statistics program. According to this survey, 10 of Kentucky's 11 major nonfarm North American Industry Classification System (NAICS) job sectors registered declines in employment, while one rose. Kentucky's trade, transportation and utilities sector lost 2,200 jobs in March 2013. This is the largest sector in Kentucky with 373,000 positions, and accounts for about 20 percent of nonfarm employment. Since March 2012, jobs in this sector have increased by 3,600 or 1 percent.

“Retail trade, which accounts for over half of the jobs in this sector, lost 1,900 positions in March compared to a month ago,” said Shanker.

The state’s leisure and hospitality sector fell in March 2013 with 1,800 fewer jobs. Since March 2012, the sector has expanded by 2,900 positions. This sector includes arts, entertainment, recreation, accommodation and food services.

Kentucky’s professional and business services sector dropped by 1,300 jobs in March 2013. This category includes establishments engaged in services that support the day-to-day activities of other organizations, including temporary employment services. Since last March, jobs in the sector have increased by 800.

“About one in 10 jobs in Kentucky are in professional and business services,” said Shanker. “The loss of jobs has been almost entirely in temp services, while scientific and technical services have shown strong gains. The annual data indicates that people are moving from temporary jobs into more stable permanent jobs in manufacturing and technical services.”

The construction sector posted a decrease of 1,100 positions in March 2013 from a month ago. Since March 2012, employment in construction has dropped by 600 jobs.

The number of jobs in the other services sector, which includes repairs and maintenance, personal care services, and religious organizations, fell by 900 positions March 2013. Compared to a year ago, there has been a loss of 2,600 jobs.

Kentucky’s manufacturing sector declined by 500 positions in March 2013. Since March 2012, employment in manufacturing has increased by 9,600 jobs or 4.4 percent.

“In spite of the decline in manufacturing in March 2013, employment in durable goods industries, such as machinery and motor vehicle manufacturing, is on an upswing,” said Shanker.

Employment in the mining and logging sector fell by 400 jobs in March 2013. The number of jobs in this sector has declined by 4,000 or 17 percent since last March.

The government sector, which includes public education, public administration agencies and state-owned hospitals, dropped by 300 jobs in March 2013. The sector had 1,000 fewer jobs compared to March 2012.

The financial activities sector decreased by 300 jobs in March 2013. Compared to March a year ago, businesses involved in finance, insurance, real estate and property leasing have gained 2,900 jobs.

The information sector fell by 200 jobs in March 2013. This segment has declined by 1,500 positions or 5.7 percent since March 2012. The industries in this sector include traditional publishing as well as software publishing; motion pictures and broadcasting; and telecommunications.

The educational and health services sector gained 600 positions in March 2013. The sector has posted an increase of 2,300 jobs since March 2012.

“The health care portion of this sector accounts for nearly 90 percent of the employment. While a total of 2,300 jobs were added in this sector over the year, the health care and social assistance subsector grew by 3,000 in the same period,” said Shanker.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about Kentucky labor market information at [www.kylmi.ky.gov](http://www.kylmi.ky.gov).